

INCOMING TELEGRAM

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EXCISE

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Action
EUR

FROM: HELSINKI

TO: Secretary of State

NO: 191, SEPTEMBER 9, 7 PM

DEPARTMENT OF STATE A/CDC/MR
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SENT DEPARTMENT 191; REPEATED INFORMATION BERN, COPENHAGEN,
 LISBON, LONDON, OSLO, STOCKHOLM, VIENNA, MOSCOW, BRUSSELS,
 PARIS UNNUMBERED.

FINNISH REACTION TO EFTA ASPECT KHRUSHCHEV VISIT COMMUNIQUE AS
 REFLECTED IN PRESS AND EMBASSY DISCUSSIONS WITH WIDE VARIETY
 OF CONTACTS UNANIMOUS IN CONSIDERING THAT COMMUNIQUE AMOUNTS
 TO CONDITIONAL GO AHEAD ON EFTA AND THERE IS GOOD PROSPECT
 FINLAND WILL IN FACT AFFILIATE AROUND END OF YEAR. KEKKONEN
 NOVEMBER VISIT MOSCOW EXPECTED TO BE OCCASION FOR SIGNING PAPERS
 INVOLVED WHICH TO BE AGREED EARLIER IN NEGOTIATIONS BEGINNING
 IN MOSCOW SOON AS POSSIBLE. MINISTER TRADE AND INDUSTRY KARJA-
 LAINEN TO BE FINNISH NEGOTIATOR. SOURCES AGREE FINLAND WILL
 HAVE TO MEET SOVIET DEMAND RE MAINTENANCE SOVIET TRADE IN SOME
 WAY BUT MOST CONSIDER THIS "ONLY" TECHNICAL PROBLEM AND EVEN
 THOSE WHO REGARD PROBLEM AS SERIOUS APPEAR BELIEVE IT NOT IN-
 SUPERABLE. MAJOR OPPOSITION TO GOVERNMENT (SOCIAL DEMOCRATS
 AND CONSERVATIVES) ARE ASSUMING FOR POLITICAL PLANNING PURPOSES
 KEKKONEN WILL SUCCEED IN EFTA AFFILIATION.

CONSENSUS INFORMED SOURCES FINNS WILL ASK SOVIETS FOR EXCEPTION
 TO MFN CLAUSE ALONG LINES GIVEN BY USSR TO FEDERAL REPUBLIC
 GERMANY FOR EEC AND WILL TRY TO SATISFY SOVIET REQUIREMENT FOR
 MAINTENANCE OF TRADE THROUGH SPECIAL PROVISIONS AGREED LISBON,
 PRIMARILY MAINTENANCE QUANTITATIVE IMPORT RESTRICTIONS ON MAIN
 COMMODITIES IMPORTED FROM USSR. ASSURANCE RELATING TO IMPORTS
 LIKELY TO BE SUPPORTED BY PROPOSAL OF NEW FINNISH LEGISLATION
 TO GIVE GOVERNMENT IMPORT CONTROL AUTHORITY FOR LONG-TERM IN-
 STEAD OF PRESENT YEAR-TO-YEAR BASIS.

BASIC QUESTION IS WHETHER ASSURANCES ALONG THESE LINES THAT

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-2- 191, SEPTEMBER 9, 7 PM FROM HELSINKI

FINNISH-SOVIET TRADE WILL BE MAINTAINED ENOUGH TO SATISFY RUSSIANS. FOREIGN MINISTRY OFFICIALS BELIEVE ANY SPECIFIC COMMODITY PROBLEMS THEY MAY RAISE PROBABLY CAN BE HANDLED, E. G., BY BROAD GATT TARIFF CONCESSION. INSISTENCE MAINTAINING M¹ CLAUSE WOULD BE MORE DIFFICULT. ONE SOURCE THOUGHT RUSSIANS WILL NOT BE SATISFIED SHORT OF MAINTENANCE MFN TARIFF TREATMENT, PRESUMABLY AS SPECIAL EXCEPTION TO GATT REQUIRING TWO-THIRDS VOTE, AND SAID FINNISH AUTHORITIES "STUDYING" GATT ARTICLE 1 PARAGRAPH 2 EXCEPTIONS WITH THIS POSSIBILITY IN MIND. ALL SOURCES SAY RENEGOTIATION OR EXTENSION FIVE-YEAR TRADE AGREEMENT NOT LIKELY TO BE INVOLVED.

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SESSIONS

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